

---

**SUBSTITUTE HOUSE BILL 1250**

---

**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** House Capital Budget (originally sponsored by Representatives Orwall, Miloscia, Springer, Dunshee, Ormsby, and Dickerson; by request of Department of Community, Trade, and Economic Development)

READ FIRST TIME 02/13/09.

1       AN ACT Relating to allowing capital appropriations for the housing  
2 trust fund to be used for project application, review, selection,  
3 contracting, and project development; amending RCW 43.185.050; and  
4 reenacting and amending RCW 43.185.070 and 43.185A.030.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       **Sec. 1.** RCW 43.185.050 and 2006 c 371 s 236 are each amended to  
7 read as follows:

8       (1) The department shall use moneys from the housing trust fund and  
9 other legislative appropriations to finance in whole or in part any  
10 loans or grant projects that will provide housing for persons and  
11 families with special housing needs and with incomes at or below fifty  
12 percent of the median family income for the county or standard  
13 metropolitan statistical area where the project is located. At least  
14 thirty percent of these moneys used in any given funding cycle shall be  
15 for the benefit of projects located in rural areas of the state as  
16 defined by the department. If the department determines that it has  
17 not received an adequate number of suitable applications for rural  
18 projects during any given funding cycle, the department may allocate  
19 unused moneys for projects in nonrural areas of the state.

1 (2) Activities eligible for assistance from the housing trust fund  
2 and other legislative appropriations include, but are not limited to:

3 (a) New construction, rehabilitation, or acquisition of low and  
4 very low-income housing units;

5 (b) Rent subsidies;

6 (c) Matching funds for social services directly related to  
7 providing housing for special-need tenants in assisted projects;

8 (d) Technical assistance, design and finance services and  
9 consultation, and administrative costs for eligible nonprofit community  
10 or neighborhood-based organizations;

11 (e) Administrative costs for housing assistance groups or  
12 organizations when such grant or loan will substantially increase the  
13 recipient's access to housing funds other than those available under  
14 this chapter;

15 (f) Shelters and related services for the homeless, including  
16 emergency shelters and overnight youth shelters;

17 (g) Mortgage subsidies, including temporary rental and mortgage  
18 payment subsidies to prevent homelessness;

19 (h) Mortgage insurance guarantee or payments for eligible projects;

20 (i) Down payment or closing cost assistance for eligible first-time  
21 home buyers;

22 (j) Acquisition of housing units for the purpose of preservation as  
23 low-income or very low-income housing;

24 (k) Projects making housing more accessible to families with  
25 members who have disabilities; and

26 (l) During the 2005-2007 fiscal biennium, a manufactured/mobile  
27 home landlord-tenant ombudsman conflict resolution and park  
28 registration program.

29 (3) During the 2005-2007 fiscal biennium, revenues generated under  
30 RCW 36.22.178 may be used for the development of affordable housing  
31 projects and other activities funded in section 108, chapter 371, Laws  
32 of 2006.

33 (4) Legislative appropriations from capital bond proceeds may be  
34 used only for the costs of projects authorized under subsection (2)(a),  
35 (i), and (j) of this section, and ~~((not for the administrative costs of  
36 the department))~~ for department costs directly related to project  
37 application, review, selection, contracting, and project development,  
38 as specified in the omnibus capital appropriations act.

1 (5) Moneys from repayment of loans from appropriations from capital  
2 bond proceeds may be used for all activities necessary for the proper  
3 functioning of the housing assistance program except for activities  
4 authorized under subsection (2)(b) and (c) of this section.

5 ~~((6) Administrative costs of the department shall not exceed five  
6 percent of the annual funds available for the housing assistance  
7 program.))~~

8 **Sec. 2.** RCW 43.185.070 and 2005 c 518 s 1802 and 2005 c 219 s 2  
9 are each reenacted and amended to read as follows:

10 (1) During each calendar year in which funds from the housing trust  
11 fund or other legislative appropriations are available for use by the  
12 department for the housing assistance program, the department shall  
13 announce to all known interested parties, and through major media  
14 throughout the state, a grant and loan application period of at least  
15 ninety days' duration. This announcement shall be made as often as the  
16 director deems appropriate for proper utilization of resources. The  
17 department shall then promptly grant as many applications as will  
18 utilize available funds less appropriate administrative costs of the  
19 department. ~~((Administrative costs paid out of the housing trust fund  
20 may not exceed five percent of annual revenues available for  
21 distribution to housing trust fund projects.))~~ In awarding funds under  
22 this chapter, the department shall provide for a geographic  
23 distribution on a statewide basis.

24 (2) The department shall give first priority to applications for  
25 projects and activities which utilize existing privately owned housing  
26 stock including privately owned housing stock purchased by nonprofit  
27 public development authorities and public housing authorities as  
28 created in chapter 35.82 RCW. As used in this subsection, privately  
29 owned housing stock includes housing that is acquired by a federal  
30 agency through a default on the mortgage by the private owner. Such  
31 projects and activities shall be evaluated under subsection (3) of this  
32 section. Second priority shall be given to activities and projects  
33 which utilize existing publicly owned housing stock. All projects and  
34 activities shall be evaluated by some or all of the criteria under  
35 subsection (3) of this section, and similar projects and activities  
36 shall be evaluated under the same criteria.

1 (3) The department shall give preference for applications based on  
2 some or all of the criteria under this subsection, and similar projects  
3 and activities shall be evaluated under the same criteria:

4 (a) The degree of leveraging of other funds that will occur;

5 (b) The degree of commitment from programs to provide necessary  
6 habilitation and support services for projects focusing on special  
7 needs populations;

8 (c) Recipient contributions to total project costs, including  
9 allied contributions from other sources such as professional, craft and  
10 trade services, and lender interest rate subsidies;

11 (d) Local government project contributions in the form of  
12 infrastructure improvements, and others;

13 (e) Projects that encourage ownership, management, and other  
14 project-related responsibility opportunities;

15 (f) Projects that demonstrate a strong probability of serving the  
16 original target group or income level for a period of at least twenty-  
17 five years;

18 (g) The applicant has the demonstrated ability, stability and  
19 resources to implement the project;

20 (h) Projects which demonstrate serving the greatest need;

21 (i) Projects that provide housing for persons and families with the  
22 lowest incomes;

23 (j) Projects serving special needs populations which are under  
24 statutory mandate to develop community housing;

25 (k) Project location and access to employment centers in the region  
26 or area;

27 (l) Projects that provide employment and training opportunities for  
28 disadvantaged youth under a youthbuild or youthbuild-type program as  
29 defined in RCW 50.72.020; and

30 (m) Project location and access to available public transportation  
31 services.

32 (4) The department shall only approve applications for projects for  
33 (~~(mentally ill)~~) persons with mental illnesses that are consistent with  
34 a regional support network six-year capital and operating plan.

35 **Sec. 3.** RCW 43.185A.030 and 2005 c 518 s 1803 and 2005 c 219 s 3  
36 are each reenacted and amended to read as follows:

1 (1) Using moneys specifically appropriated for such purpose, the  
2 department shall finance in whole or in part projects that will provide  
3 housing for low-income households.

4 (2) Activities eligible for assistance include, but are not limited  
5 to:

6 (a) New construction, rehabilitation, or acquisition of housing for  
7 low-income households;

8 (b) Rent subsidies in new construction or rehabilitated multifamily  
9 units;

10 (c) Down payment or closing costs assistance for first-time home  
11 buyers;

12 (d) Mortgage subsidies for new construction or rehabilitation of  
13 eligible multifamily units; and

14 (e) Mortgage insurance guarantee or payments for eligible projects.

15 (3) Legislative appropriations from capital bond proceeds may be  
16 used only for the costs of projects authorized under subsection (2)  
17 (a), (c), (d), and (e) of this section, and ~~((not for the~~  
18 ~~administrative costs of the department)) for department costs directly  
19 related to project application, review, selection, contracting, and  
20 project development, as specified in the omnibus capital appropriations  
21 act.~~

22 (4) Moneys from repayment of loans from appropriations from capital  
23 bond proceeds may be used for all activities necessary for the proper  
24 functioning of the affordable housing program except for activities  
25 authorized under subsection (2)(b) of this section.

26 ~~((5) Administrative costs of the department shall not exceed five~~  
27 ~~percent of the annual funds available for the affordable housing~~  
28 ~~program.))~~

--- END ---